

[By Greg Guma](#)

Congressman Peter Welch frequently says that he thinks Congress is dysfunctional. He repeated the criticism at a press conference this week, in this case while explaining his latest legislative proposal to control the cost of college tuition. Flanked by a parent, a student and Don Vickers, president of the Vermont Student Assistance Corp. (VSAC), Welch said that "Congress has contributed to the problem. We have an obligation to contribute to the solution." The problem, Welch argues, is that the cost of higher education "is absolutely crushing the middle class." Since 1978, tuition has risen more than 1000 percent, he pointed out. "And just last year, even though inflation is very tame, college costs at four-year public institutions went up by 8.3 percent. So this is simply not sustainable."

After holding two roundtable discussions with education leaders, he has reached the conclusion that, although health care and heating costs are the biggest cost drivers, colleges and universities also need some regulatory relief.

"It's important in terms of good faith," he said, to help educational institutions "make some decisions that correspond to the ability of customers to pay."

Welch is currently seeking sponsors for the College Cost Reduction Act, which would establish a federal task force, with broad "bottom up" participation, and give it six months to come up with recommendations that reduce regulation and restrain tuition growth.

To actually make something happen, it would also require the president to submit legislation within four months of receiving the report, and call for congressional debate under expedited rules. The Secretary of Education would become responsible for curbing future tuition increases.

Penalties for non-compliance could include holding back federal money. "There's really got to be some teeth in this," he said.

Asked about the specific regulatory burdens that influence tuition at colleges and universities, Welch mentioned extensive audits and excessive reporting requirements that create pressure to hire more staff to respond.

Earlier this year, Welch led the congressional fight that prevented a doubling of student loan interest rates. In June, he called for an end to exorbitant debit and prepaid card fees being charged by big banks to college students in order to access their federal student loans.

Welch joined Assistant Senate Majority Leader Dick Durbin , D-Ill., and Sen. Jack Reed, D-R.I., in requesting that 15 financial institutions that provide campus debit and prepaid cards turn over information about their fees and contracts.

Welch's new legislation focuses on removing some burdens that can influence college and university costs. Welch pointed out that many schools are already looking for new business models and understand that "no matter how valuable the service, if you price it beyond the ability of people to pay, they won't get it."

Last May, UVM Interim President John Bramley made basically the same point. After reporting that the university was "in excellent shape" financially, he nevertheless expressed anxiety "about the future of higher education and our ability to adapt to the challenges." Costs have grown faster than health care, he said, and exceed families' ability to pay.

"The wisdom of investing in a college education is increasingly in question," Bramley said.

UVM tuition rose 3.5 percent this year, the lowest increase in several. Vermonters resident pay \$13,344, out-of-state students pay \$33,672. The online tuition rate is between \$556 and \$1,403 per credit hour.

Increasing costs are attributable "to many moving parts," Welch said. But continuing to rely on tuition "just won't work." In Vermont, the average student debt is about \$30,000.

Claudia Abbiati offered her own case as an example. A UVM speech pathology student, she works two jobs and has applied for multiple scholarships. Nevertheless, Abbiati expects to graduate with nearly \$20,000 in debt. "I don't know if I'll have a job when I get out, so that's another thing I have to worry about," she said.

Some studies have attributed the rising cost of higher education to the expansion of campus services like mental health and emergency alert systems. Administrators also admit that inefficiencies that have crept into the higher education system. At public colleges and universities, another major factor in tuition growth has been state funding cuts.

To rely less on tuition, some schools are stepping up private fundraising, privatizing services, reducing staff, or cutting departments. According to a New York Times story on efforts at Ohio State, millions of dollars can potentially be saved at large institutions just by standardizing forms.

Moody's Investors Service recently gave a favorable outlook for elite private colleges and large state institutions. "Strongest market positions" provide multiple ways for them to generate revenue. The outlook for Ohio State was stable, but Moody's has cautioned about the school's debt and reliance on its medical center for revenue.

For most colleges and university, which depend on tuition and state revenue, the outlook is more negative. "Tuition levels are at a tipping point," Moody's says. "We anticipate an ongoing bifurcation of student demand favoring the highest quality and most affordable higher education options."

Despite his diagnosis of congressional dysfunction, Welch envisions the possibility of a more rational discussion about education after the November elections.

"The major challenge in the lame duck session is fiscal," he said. "Every time you raise (federal) support for education, tuition goes up. I want this issue in the mix."